(b) if so, the reactions thereon;

(c) whether it is a fact that notwith standing SEBI's instructions the outstanding margin to be collected has risen to a dangerous Rs. 19,000 crores in the four major exchanges of the country;

(d) if so, whether the SEBI is sending its own teams to monitor compliance; and

(e) whether it is also a fact that client's registration forms are not being properly filled up as has been alleged?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) There has been a price rise in the Information Technology, Communication and Entertainment (ICE) sector scrips particularly in the software sector. This price rise is due to enhanced investor interest and global influence.

(c) and (d) The figure of Rs. 19,000 crores relates to the outstanding positions and not outstanding margins. Against the outstanding position, margins and additional apital cover of around Rs. 6,700 crores (35%) is available. In addition exchanges also have Rs. 1,500 crores as base capital and Trade Guarantee Fund. SEBI not only receives periodic reports from the exchanges on margin collection, but also conducts regular inspections of all active stock exchanges.

(e) It is a fact that in some cases clients' registration forms are not properly filled up. In such cases, SEBI either warns or initiates enquirires against the brokers concerned.

Boom in Share Market

1311. SHRI DIPANKAR MUKHERJEE:
SHRI NILOTPAL BASU:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the column "It's part time, till ICE breaks the sensex" which appeared in "Indian Express" dated 13th February, 2000;

(b) if so the reactions there on;

(c) whether it is a fact that a closer look of the ICE companies driven share market boom reveals certain serious questions and that the phenomenal rise is mainly on account of greater number of rises than declines in B2 (not good companies);

(d) if so, whether the SEBI has evaluated this and if so, the details thereof; and

(e) whether the SEBI has examined the veracity of FII investment-whether genuine or hot money?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) There has been a price rise in the Information Technology, Communication and Entertainment (ICE) sector scrips, particularly in software sector. This price rise is due to enhanced investor interest and global influence.

(c) and (d) There are greater rises than declines in "B2" scrips. But so is the case in "B1" and "A" group scrips in these sectors. While price discovery is market driven, SEBI has been keeping a watch over the enhanced activity and has alerted the stock exchanges to take proactive action including imposing special/adhoc margins exposure reduction earlier pay-ins, increase in volatility margins etc. Investors have also been advised to be cautious while transacting in such scrips.

(e) FIIs have been investing in India since January 1993 and the net FII investment has generally been showing a positive trend. SEBI (Foreign Institutional Investors) Regulations, 1995 permit registration to institutional entities who are regulated by foreign regulatory authorities. FIIs are required to transact only on delivery basis and are not allowed to carry forward any transactions.

Duty free import of Vanaspati Ghee

1312. SHRI PREM CHAND GUPTA: Will the Minister of FINANCE be pleased to state:

(a) Whether it is a fact that Vanaspati Manufacturer Association of India have complained about the bad state of Indian Vegetable Ghee Industry because of duty free import of Vanaspati Ghee from Nepal; and

(b) if so, what steps Government propose to take to curb this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR):

(a) Yes, Sir.

(b) in terms of Indo-Nepal Treaty of Trade, articles manufactured in Nepal are allowed access to the Indian market free of customs duties. In the India-